

MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF FOND DU LAC REGULAR MEETING WEDNESDAY, MARCH 20, 2013

**City/County Government Center, Meeting Room D & E
7:30 a.m.**

1. Teletzke called the meeting to order at 7:32 a.m. The meeting was held in Room D & E of the City/County Government Center, 160 S. Macy Street, Fond du Lac, Wisconsin.

2. Wegner called the roll

Present

Absent

Richard Ewald
Greg Giles
Mary Gilles
Karyn Merkel
Lee Ann Lorrigan
Leo Udee
Doug Teletzke

Wegner declared a quorum present

Staff in attendance:

Wayne Rollin, Community Development Director
Dyann Benson, Redevelopment Planner
Debbie Wegner, Community Development Specialist

Others Present:

None

3. Approval of Minutes

- A. Open and Closed Session Minutes from the Regular Meeting of
February 20, 2013

Lorrigan made a motion to approve the minutes of the regular meeting of February 20, 2013; seconded by Merkel. Motion carried.

4. New Business

A. Approval of Financial Statements

(1) Redevelopment Authority Monthly Financial Statement – March 2013

Wegner reviewed the monthly financial statement.

Ewald made a motion to approve the monthly financial statement; seconded by Udee. Motion carried.

B. Discussion Regarding Federal Funding and Impacts to the PY2013 Community Development Block Grant (CDBG) Program

Benson reviewed that in January the Redevelopment Authority (RDA) approved the PY2013 Annual Action Plan which provided the proposed allocation of CDBG funds between various activities.

She stated that on March 1, the mandatory fiscal reductions took effect and will impact the City's PY2013 CDBG allocations. Initial communications with US Department of Housing and Urban Development (HUD) indicated that Entitlement Communities can expect a 5% reduction from the PY2012 allocations.

Benson reviewed that staff had anticipated a reduction in PY2013 funding, thus these expected reductions will not have a significant impact on proposed activities. She stated that Undesignated and Administration will have slight reductions and that all other programs will remain at the same level of funding proposed in the Annual Action Plan.

She indicated that if reductions exceed the expected 5% or if HUD implements mandatory reductions based upon other factors, then the City may experience a greater reduction in funding.

C. Discussion Regarding Public Service Funding

Benson reviewed that historically the City's CDBG Program has not funded Public Service activities, but has focused on physical improvements such as the Housing Rehabilitation Loan Program, Public Facilities and the Homestead Opportunity Program. In the last few years, the City has increased funding to Public Service activities as well as experienced an increase in CDBG funding requests.

Benson stated that although staff has developed an informal evaluation of each application based upon CDBG regulations, past precedence and community needs staff is recommending a more formalized policy for considering Public Service requests.

Benson reviewed the regulations and factors that have been used to evaluate previous RDA service funding requests. Members concurred with the criteria previously used by staff.

Benson stated that a formal policy will be presented for review and approval at either the April or May RDA meeting.

D. Resolution No. 13-08 – A Resolution Approving an Amendment to the Housing Rehabilitation Loan Program Guidelines and Procedures Manual Increasing the Subordination Request Fee to One Hundred Dollars (\$100)

Wegner reviewed that the City provides housing rehabilitation loans to low-moderate income homeowners. Occasionally the homeowners wish to refinance their first mortgage loan to obtain a more favorable rate, shorten their term or lower their monthly payment amount. In these cases, the RDA charges a \$50 subordination fee to cover some of the costs incurred in reviewing the subordination request. She stated that some of the local lenders have been contacted regarding their charges for subordination requests. Staff is recommending that the fee be increased from \$50 to \$100 to better reflect actual costs of processing the report.

Benson stated that “cash out” subordination requests are only permitted if funds are being reinvested into the property. She reviewed that cash out cannot be used for debt consolidations, vacations or other non-home related items. Staff is seeking RDA guidance regarding the elimination of “cash out” subordination requests. Benson stated that changes to the cash out provision will be presented at the next meeting.

Giles made a motion to approve Resolution No. 13-08; seconded by Ewald. Motion carried.

E. Adjourn into Closed Session

Udee made a motion to adjourn into closed session. Lorrigan seconded the motion and the roll call vote was as follows: Ewald, aye; Giles, aye; Gilles, aye; Lorrigan, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

F. Reconvene into Open Session Immediately Upon Conclusion of the Closed Session

Gilles made a motion to reconvene into open session. Ewald seconded the motion and the roll call vote was as follows: Ewald, aye; Giles, aye; Gilles, aye; Lorrigan, aye; Merkel, aye; Teletzke, aye; Udee, aye. Motion carried.

G. Resolution No. 13-09 – A Resolution Approving Residential Rehabilitation Loans Under the Community Development Block Grant Program and/or HOME Programs

Gilles made a motion to approve Resolution No. 13-09; seconded by Merkel. Motion carried.

H. Action on Review of Loan Application Which Does Not Meet Housing Rehabilitation Loan Program Guidelines

Lorrigan made a motion to deny the continued processing of this loan application; seconded by Gilles. Motion carried.

5. Correspondence - None
6. Other Matters as are Authorized by Law
7. Motion to Adjourn

The Authority adjourned by unanimous consent at 8:23 a.m.

Respectfully submitted,

Debbie Wegner
Community Development Specialist

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**MINUTES
REGULAR MEETING
REDEVELOPMENT AUTHORITY OF THE
CITY OF FOND DU LAC**

**WEDNESDAY, MARCH 20, 2013
CLOSED SESSION**

Present

Absent

Richard Ewald
Gregg Giles
Mary Gilles
Karen Merkel
Lee Ann Lorrigan
Doug Teletzke
Leo Udee

The Chairman declared a quorum present.

Staff in attendance:

Wayne Rollin, Community Development Director
Dyann Benson, Redevelopment Planner
Debbie Wegner, Community Development Specialist

Others in attendance:

None

One loan being considered for approval under the CDBG and/or HOME Program was reviewed. Also discussed was a loan application which does not meet Housing Rehabilitation Loan Program Guidelines.

Respectfully submitted,

Debbie Wegner
Community Development